BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
CHAIRMAN
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COMMISSIONER

INVESTIGATION INTO QWEST'S CABLE, WIRE AND SERVICE TERMINATION POLICIES AND TARIFF AND THE POLICIES AND TARIFFS OF OTHER TELECOMMUNICATIONS CARRIERS WITH RESPECT TO ACCESS TO MTE/MDU TENANTS

Docket No. T-00000A-02-0280

COX ARIZONA TELCOM'S INITIAL COMMENTS ON MTE/MDU ACCESS

Cox Arizona Telcom, L.L.C. hereby responds to Staff's questions (dated April 12, 2002) in the above-captioned matter and sets forth an outline of proposed rules regarding multi-dwelling unit (MDU) or multi-tenant environment (MTE) properties:

RESPONSES TO STAFF'S QUESTIONS

Staff 1: Do you believe that the Commission should establish a statewide policy for providers that requires that the Minimum Point of Entry and the demarcation point be located at the same place near the property line? Please explain.

Response: For new construction and significant reconfigurations, the Commission should require that (i) the Minimum Point of Entry (MPOE) and the demarcation point (Demarc) be located at the same place and (ii) that location should allow easy, non-disruptive access to the MPOE/Demarc for other providers. For all MDUs/MTEs, including campus complexes, there should be a single MPOE/Demarc location unless there are insurmountable technical reasons why there must be more than one such location.

With respect to the specific location of the MPOE/Demarc, Cox believes that

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location should be as close to the property line as practicable. In new MDU/MTE construction, it often makes sense to locate the MPOE/Demarc in a larger, air conditioned closet or building within the property. In such instances, in order to facilitate competing provider access, the initial provider (who usually works closely with the property owner/developer) should be required to place sufficient additional conduit from the property line to the MPOE/Demarc to allow access for subsequent providers without the need to retrench or otherwise disrupt the property.

With respect to actual configuration of the MPOE/Demarc, there should be adequate floor and wall space to allow subsequent providers to install their equipment. There should also be a panel to allow cross connects to the inside wire to specific units without having to use or disturb the equipment of any other provider.

The proposed MPOE/Demarc configuration will enhance competitive opportunities while at the same time encourage the development of additional network infrastructure without the greater cost and disruption associated with trenching and conduit placement after the property construction is completed.

The MPOE/Demarc configuration proposed here is what Cox presently installs at new construction MDUs, such as apartment complexes. Cox offers to provide Commission Staff a tour of such facilities, as well as other less acceptable MDU configurations to allow Staff a better understanding of the potential hurdles faced by competitors in serving tenants in MDU/MTE facilities.

Finally, Cox proposes that the Commission adopt rules that incorporate Cox's proposal. Rules will better ensure that (i) MDU/MTE entrance facilities are treated consistently by all providers and (ii) competition is facilitated by that consistent configuration, providing all tenants a choice of local service providers.

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Staff 2: Do you believe that Qwest's tariff should be modified so that all new Qwest entrance facilities to MTEs and campus properties (MDUs) will have the Minimum Point of Entry and the demarcation point located at the same place near the property line? Why or why not?

Response: Yes, where the property owner's building configuration and telephone structure can be placed near the property line. More important than the exact location of the MPOE is the requirement that the demarcation point for those facilities be a single accessible location and of adequate size and space to reasonably accommodate multiple service providers. The current Qwest tariff provides for several network configuration options that are anticompetitive and that allow Qwest to control access to tenants. Under its existing tariff, Qwest can serve new MTEs through four different "options." [See Qwest Cable, Wire and Service Termination Tariff, Section 2.8.D (Attachment 1); see also schematic diagram of Qwest's four options (Attachment 2)] In Options 1, 2 and 3, Qwest ends up owning or controlling significant portions of the on-premises wire. Therefore, if the MDU/MTE owner is unwilling to have a new provider retrench and/or rewire the entire facility, the new competitor is forced to use at least a portion of the Qwest-owned wiring on the premises. Because Qwest controls a portion of the facilities, the connecting carrier may in turn use some Qwest-controlled assets that must be leased as subloop unbundled network elements ("UNEs"). As a result, the competing provider is required to pay Qwest, thus adding unnecessary cost and administrative difficulties to the competitor's ability to serve the property. For example, under certain Qwest configurations, Qwest will require – and will charge a CLEC for – a Qwest technician to install the necessary cross connects between the Qwest and CLEC facilities. Moreover, as set forth in the Qwest Arizona SGAT, Section 9.3, Qwest may require the construction of a costly Field Connection Point.

Indeed, there are numerous administrative hurdles that a CLEC faces at an MDU/MTE property that has been wired under Options 1, 2 or 3.

Under Option 4, the property owner owns – and controls – the on-premises wire. As a result, Qwest may not limit or charge a competitor for access to wiring at the premises because there are no Qwest-owned or controlled facilities used when the competitor directly connects to the on-premises wire. Because there are no unbundled network elements involved, there is nothing to be negotiated with Qwest, nor is there any need to wait for Qwest to dispatch its technician to complete a cross-connect to the tenant's inside wire.

To avoid the continued proliferation of the anticompetitive Options 1, 2 and 3 at MDUs/MTEs and to ensure access to competition for MDU/MTE tenants, the Commission should require Qwest to modify its Cable Termination Policy Tariff to eliminate any option that would allow an MDU/MTE – either a new MDU/MTE or an existing MDU/MTE undergoing a significant reconfiguration/upgrade of entrance facilities – to have a demarcation point anywhere other than at the MPOE. The Qwest tariff also should require that the MPOE/Demarc be located and configured as discussed in Question 1 above, thus allowing easy and non-disruptive access by CLECs wanting to serve the MDU/MTE tenants.

Staff 3: Do you believe that Cox's proposed policy should apply, on a going forward basis or with a significant reconfiguration only, if the Commission adopts it? How would you define a significant reconfiguration?

Response: Cox's proposed policy should apply on a going forward basis for all new construction of entrance facilities for MDUs/MTEs and for all significant reconfigurations of entrance facilities for MDUs/MTEs. Significant reconfigurations would include any situation in which the MDU/MTE owner or its agent requests relocation of the MPOE and/or the Demarc or in which the

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telecommunications company significantly upgrades its existing entrance facilities. Cox anticipates that the MDU/MTE property owner would be responsible for the cost of the construction or reconfiguration. In fact, in many instances, the competitive provider may assist the property owner with the reconfiguration costs simply so the competitive provider can avoid the costs and headaches associated with using Qwest UNEs and the need for Qwest to be involved in the individual customer provisioning process.

The property owner also should be entitled to require any technically feasible reconfiguration provided that (i) the new configuration met the guidelines set forth above in the response to Question 1 for MPOE/Demarc location/configuration and (ii) the property owner was prepared to cover the cost. The existing provider could not refuse the MPOE/Demarc construction or reconfiguration/relocation if the property owner met the proposed guidelines.

Staff 4: Do you believe that the Cox proposed policy would lead to further development of competition in Arizona, if the Commission adopts it? Please explain.

Response: Yes. Cox's proposal would increase facilities-based competition in particular because facilities-based providers would be able to access inside wiring to allow them to serve tenants without the expense and administrative difficulties associated with using another provider's UNEs. Significant operational hurdles would be removed. At most, the new provider would need to arrange to access the additional conduit running from the property edge to the MPOE/Demarc. This would alleviate the anticompetitive effects of Qwest's bottleneck facilities. Indeed, the intent of Cox's proposal is avoid such bottlenecks in new MDU/MTE properties and to provide an opportunity to retrofit existing MDU/MTE properties

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Staff 5: What property rights issues are raised by requiring the demarcation for new MTEs be at the MPOE at the edge of the property? How do you believe that these issues should be resolved?

<u>Response</u>: Because Cox's proposal allows considerable discretion as to the location of the MPOE/Demarc (provided there is sufficient conduit access from the property edge to the MPOE/Demarc), property owners will still have almost infinite flexibility regarding the use of the property. Importantly, in order to facilitate competition, telecommunications providers will be restricted in the types of MPOEs/Demarcs that they can establish at new MTE properties. Often, the property owner defers to the provider to design the entrance facilities for new construction. Where the provider is being compensated under its tariff or contract to construct the network/entrance facilities on an MDU/MTE property, it should design and construct those facilities in a manner that facilitates competition. Under Cox's proposal, the utility that established the initial MPOE/Demarc with the property owner should be able to recover its additional conduit and space preparation costs on a proportional one-time basis from additional providers who pull in conduit to the MPOE/Demarc after it is established. Commission rules could limit the amount of such cost recovery to reasonable and customary amounts at the time the facilities are constructed to prevent any "gaming" of the system.

Staff 6: What property rights issues are raised by requiring the demarcation for reconfigured MTEs be at the MPOE at the edge of the property? How do you believe that these issues should be resolved?

<u>Response</u>: There should be minimal property rights concerns for reconfigurations. Depending on the definition of "reconfiguration," the property owner controls whether or not such an event occurs. Therefore, it is a decision that ultimately rests with the property owner as to whether or not the new MPOE/Demarc

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location/configuration is acceptable. Reconfiguration is not forced on the property owner.

> Staff 7: Identify all issues that you believe the Commission would need to address if it were to adopt the Cox proposed MTE/MDU policy?

Response: Cox has set forth below a series of proposed rules that cover the principal areas that should be addressed.

> Staff 8: Do you believe that Qwest's current Cable, Wire and Service Termination Policy tariff is anti-competitive? Why or why not?

Response: Yes. See response to Question 2 above. The FCC has stressed just how significant access to MTEs is to assuring robust competition:

> Attention to the unique issues and challenges affecting access to MTEs is important because a substantial proportion of both residential and business customers nationwide are located in such environments. Thus, an absence of widespread competition in MTEs would insulate incumbent LECs from competitive pressures and deny facilities-based competitive carriers the ability to offer their services in a sizeable portion of local markets, thereby jeopardizing full achievement of the benefits of competition.[1]

The FCC made a clear determination that incumbent LECs such as Qwest have used the MTE chokepoint as a means to severely inhibit competition. In the MTE Order the FCC found that "incumbent LECs are using their control over on-

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[1] *In the Matter of Promotion of Competitive Networks in Local Telecommunications Markets, WT Docket No. 99-217; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98; Review of Sections 68.104 and 68.213 of the Commission's Rules Concerning Connection of Simple Inside Wiring to the Telephone Network, CC Docket 88-57; First Report and Order and Further Notice of Proposed Rulemaking in WT Docket No. 99-217, Fifth Report and Order and Memorandum Opinion and Order in CC Docket No. 96-98, and Fourth Report and Order and Memorandum Opinion and Order in CC Docket No. 88-57 (rel. October 25, 2000) ("MTE Order").MTE Order* at ¶ 3.

premises wiring to frustrate competitive access in multitenant buildings."[1] Further, FCC found "that incumbent LECs possess market power to the extent their facilities are important to the provision of local telecommunications services in MTEs."[2] Finally, the FCC recognized that "[i]n the absence of effective regulation, they therefore have the ability and incentive to deny reasonable access to these facilities to competing carriers."[3]

Cox's proposal, as set forth in response to Question 1 above and in the proposed rules below, meets the FCC's recent clarification of the Qwest's obligation to move the Demarc to the MPOE upon the request of a property owner. In the *MTE Order*, the FCC stated:

> [I]n all multiunit premises, the incumbent carrier must move the demarcation point to the MPOE upon the premises owner's request.... We believe that it would impede the development of facilities-based competition if a carrier could refuse a premises owner's request to move the demarcation point to the property line in order to prevent the connection of inside wiring to a competitive carrier.[4]

A key issue here is the charge to the MDU/MTE owner for Qwest's relinquishment of the wire. The Commission has already dealt with this issue in Decision No. 64922 (the UNE Pricing decision) by ruling that when an MDU/MTE owner exercises its option to have Qwest move the demarcation point to the MPOE, the wiring and facilities to be relinquished by Qwest to the property owner should be priced at residual value. [Decision No. 64922 at 58-60]

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[1] *MTE Order* at ¶ 6.

[2] *MTE Order* at ¶ 11.

[3] Id.

[4] *MTE Order* at ¶ 54.

Staff 9: Do you believe that Qwest's current Cable, Wire and Service Termination Policy tariff impose any barriers to CLECs in reaching the tenants of MTEs/MDUS? Why or why not?

Response: Yes. See responses to Questions 2 and 9 above.

Staff 10: Please discuss current FCC requirements pertaining to demarcation points at MDU/MTE dwellings.

Response: See Response to Question 9 above. The FCC requires an ILEC to relocate the demarcation point at the request of the property owner. The FCC discusses its position on this issue in *In the Matter of Promotion of Competitive Networks in Local Telecommunications Markets, WT Docket No. 99-217; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98; Review of Sections 68.104 and 68.213 of the Commission's Rules Concerning Connection of Simple Inside Wiring to the Telephone Network, CC Docket 88-57; First Report and Order and Further Notice of Proposed Rulemaking in WT Docket No. 99-217, Fifth Report and Order and Memorandum Opinion and Order in CC Docket No. 96-98, and Fourth Report and Order and Memorandum Opinion and Order in CC Docket No. 88-57 (rel. October 25, 2000).*

Staff 11: Do you believe that Qwest's current policies and tariffs, and the policies and tariffs of other telecommunications carriers, operating in Arizona, are consistent with FCC requirements? Do you believe Cox's proposal is consistent with FCC requirements?

Response: Cox does not believe that the FCC has addressed the specific issue raised by the anticompetitive impacts of Qwest's tariff. As a policy matter, Cox believes that the Qwest tariff is inconsistent with the policies expressed by the FCC in the *MTE Order* and by Congress in the 1996 Telecommunications Act. Cox's proposal is

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intended to prevent the continued proliferation of anticompetitive MDU/MTE network/entrance facilities configurations and to allow the numerous MDU/MTE tenants increased access to competitive opportunities. Cox's proposal also creates incentives for the development of additional telecommunications infrastructure. Cox encourages this Commission to adopt rules requiring network configurations for MDU/MTE entrance facilities that facilitate competition and that foreclose future anticompetitive configurations to the fullest extent possible.

Staff 12: Do you believe that the Commission should establish a policy for existing locations? If so, what policy would you recommend that the Commission adopt?

Response: Establishing a policy for existing locations is difficult. Cox is sensitive to the property rights of MDU/MTE owners. Cox's proposal here requires the property owner to agree to reconfigurations of existing locations. Cox or another provider must convince an owner of the benefits of reconfiguration.

Staff 13: Please provide copies or citations for other regulatory authorities' decisions that address any of the issues raised by the Cox proposal. The decisions should include but not be limited to those decisions that address LEC obligations regarding the location and/or relocation of demarcation points, property rights and cost recovery that you believe would benefit the commission in its deliberations on this issue.

Response: a. ACC Decision No. 64922 (the Qwest UNE Pricing Order).

b. *In the Matter of Promotion of Competitive Networks in Local Telecommunications Markets, WT Docket No. 99-217; Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98; Review of Sections 68.104 and 68.213 of the Commission's Rules Concerning Connection of Simple Inside Wiring to the Telephone Network, CC*

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Docket 88-57; First Report and Order and Further Notice of Proposed Rulemaking in WT Docket No. 99-217, Fifth Report and Order and Memorandum Opinion and Order in CC Docket No. 96-98, and Fourth Report and Order and Memorandum Opinion and Order in CC Docket No. 88-57 (rel. October 25, 2000).

c. 48 C.F.R. § 68.3.

Staff 14: Please provide your recommendation on the process and/or procedures that the Commission should use to reach a decision on the Cox proposal. Please include a recommended schedule including recommended dates.

Response: Cox believes that the Commission should take two steps. First, the Commission should act to suspend Options 1, 2 and 3 set forth in Section 2.8.D of Qwest's Cable, Wire and Service Termination Policy. This should be done as soon as possible to avoid any further proliferation of anticompetitive configurations for MDU/MTE entrance facilities.

Second, the Commission should open a rulemaking docket to adopt rules concerning MDU/MTE access issues. Cox believes that the docket should begin with a workshop to develop draft rules. Cox would defer to Staff as to the timing of the rulemaking process, but would note that it is important to have such rules adopted in a timely manner to avoid delays in MDU/MTE development. Staff may desire to adopt interim guidelines for the construction of entrance facilities for new MDU/MTE facilities.

ADDITIONAL COMMENTS/ISSUES TO CONSIDER

Cox proposes that the Commission adopt rules that address the following topics:

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Rule No. 1: For new entrance facilities construction at MDU/MTE sites, the facilities should configured such that (i) the Minimum Point of Entry (MPOE) and the demarcation point (Demarc) be located at the same place and (ii) that location should allow easy, non-disruptive access to the MPOE/Demarc for other providers. For all MDUs/MTEs, including campus complexes, there should be a single MPOE/Demarc location unless there are insurmountable technical reasons why there must be more than one such location.

The specific location of the MPOE/Demarc should be as close to the property line as practicable. More importantly, regardless of that location, the entrance facilities must include sufficient additional conduit from the property line to the MPOE/Demarc to allow access for subsequent providers without the need to retrench or otherwise disrupt the property.

The configuration of the MPOE/Demarc should include adequate floor and wall space to allow a certain number of subsequent providers to install their equipment. There should also be a panel to allow cross connects to the inside wire to specific units without having to use or disturb the equipment of any other provider.

The utility that first establishes the MPOE/Demarc may recover its reasonable costs for additional conduit placement and space preparation on a proportional one-time basis from other authorized providers who subsequently pull cable facilities into the MPOE/Demarc to provide service to tenants in the MTE property.

Rule No. 2: If a property owner wishes to reconfigure the telecommunications facilities on its property to relocate an MPOE and/or Demarc to a location consistent with Rule No. 1 above, and the property owner is willing to pay the reasonable costs for the labor, services and facilities necessary to perform the reconfiguration, and the reconfiguration is technically feasible based upon objective industry standards

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and practices, then the telecommunication provider should be required to perform the reconfiguration.

Rule No. 3: Whether the relocation of the MPOE and the Demarc are technically feasible will be determined by generally accepted industry standards.

Rule No. 4: An expedited resolution process should be adopted regarding easement and right-of-way capacity disputes for disputes regarding the technical feasibility of MPOE and Demarc relocation projects.

Rule No. 5: Regarding all MPOE and Demarc relocation projects, there should be a rebuttable presumption that the project as proposed by the property owner after consultation with a network engineer is technically feasible. As a result, the burden of proving technical infeasibility of a project will be on the utility opposing the project.

Rule No. 6: A utility that frivolously objects to relocating its MPOE and the Demarc at the property owner's request will be subject to sanctions and penalties.

Rule No. 7: A utility cannot be required to relocate its MPOE or the Demarc where to do so would have an anticompetitive effect.

Rule No. 8: Each facilities-based local exchange carrier should revise its tariffs to include: (1) the procedures by which a customer may request maps of the utility's existing facilities on the property, the cost for the maps, and a reasonable timeframe in which they will be provided; (2) the procedures by which a customer may request relocation of the MPOE and Demarc; (3) that either the utility or the customer may design and engineer the relocated facilities so long as the design and engineering

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meets acceptable industry standards; (4) that a cost estimate for the relocation project (including the costs of labor, additional facilities and equipment, as well as transferred cable) will be provided and the timeframe in which it will be provided; (5) any deposit and payment requirements; and (6) any reasonable circumstances under which a utility would decline to relocate its MPOE and/or Demarc.

Rule No. 9: In the event a property owner authorizes an agent to request and oversee the relocation of the telecommunication facilities on private property, that agency shall be memorialized in writing and signed by both the agent and the property owner, and shall be provided to the utility upon request prior to performing any relocation services to protect the interests of the parties.

RESPECTFULLY SUBMITTED August 30, 2002.

COX ARIZONA TELCOM, L.L.C.

By ______________________

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Attachment 1

2. GENERAL REGULATIONS - CONDITIONS OF OFFERING (M)

2.8 CABLE, WIRE AND SERVICE TERMINATION POLICY

The following Policy, effective January 31, 1996, applies to the termination of new cable/wire facilities in buildings under new construction or when there is a complete reinforcement of existing entrance facilities. The policy applies to facilities required to provide services at speeds of 1.544 Mbit/s and below. Due to technical requirements, services provided at speeds above 1.544 Mbit/s will be terminated per technical specifications.

A. Description

Based on options specified in D., following, the Company will place and maintain regulated cable/wire facilities to a point of demarcation that is mutually acceptable to both the Company and the premises owner. The demarcation point location will be within 12" of the protector, or when there is no protector, within 12" (or as close as practicable) of the point at which the cable/wire enters the customer's premises.

Company regulated network facilities includes the portion of an exchange access line circuit that commences at the Minimum Point of Entry (MPOE) and extends up to, and includes the demarcation point, at which point a Standard Network Interface (SNI) is placed. These facilities may include, but are not limited to, wiring enclosures, riser and house cable/wire facilities, protector units and the SNI Unit(s).

B. Terms and Conditions

1. All cable/wire, up to and including the SNI at the demarcation point, are regulated facilities, managed and maintained by the Company.

2. Access to the Company's facilities on the Company's side of the demarcation point is prohibited.

3. The premises owner is responsible for the provision and maintenance of adequate space and supporting structure for all regulated cable/wire facilities placed into, or within private property.

(M) Material moved to Page 42.1.

2. GENERAL REGULATIONS - CONDITIONS OF OFFERING

2.8 CABLE, WIRE AND SERVICE TERMINATION POLICY (N)

B. Terms and Conditions (Cont'd)

4. When the repair of regulated facilities is required on private property, it is the responsibility of the premises owner to provide suitable working space for repairs by the Company. This would include, but is not limited to, removing any required concrete or asphalt, the repair or replacement of supporting structure or to provide any required digging to access the damaged area.

5. All cable/wire beyond the demarcation point is deregulated. The premises owner/customer has responsibility to provide, and/or maintain and manage the cable/wire beyond the demarcation point.

6. The Company will install and provide maintenance for cable/wiring beyond the demarcation point at the request of the premises owner/customer at deregulated Time and Material Charges.

7. It is the customer's responsibility to know where their facilities begin. The Company will not perform premises audits to determine demarcation point locations, without appropriate charges.

8. If Company provided entrance facilities exceed 300 feet, which will be deemed excessive, Special Construction charges will apply.

9. The termination of regulated network facilities is subject to the terms, conditions and rates set forth in Section 4, Construction Charges.

10. The premises owner shall be responsible for Company costs associated with the disruption of service to the customer if caused by other provider's access to Company equipment that serves as a common Demarcation point for multiple customers. The premises owner is responsible for providing a secured location for the demarcation point, and also to limit access to authorized personnel only.

2.8 CABLE, WIRE AND SERVICE TERMINATION POLICY (CONT'D) (N)

C. New Cable Facilities

1. Single Tenant Building(s)

If a building is occupied by a single tenant, then the premises owner must choose to have the Company locate the demarcation point as outlined in either Options 1 or 4 in D., following.

2. Multi-Tenant Building(s)

The premises owner must choose one of the options outlined in D., following, for the premises demarcation location(s).

3. Campus Options

The premises owner may choose how the campus property and the buildings on the property will be provisioned with Company regulated facilities. The choices of demarcation point location(s) are as follows:

- One location for the campus property (Option 4), or;
- Designating demarcation points; in one or more building(s), following the single-tenant or multi-tenant guidelines for each building. (Options 1, 2 or 3 as outlined in D., following.)

2. GENERAL REGULATIONS - CONDITIONS OF OFFERING

2.8 CABLE, WIRE AND SERVICE TERMINATION POLICY (CONT'D) (N)

D. Premises Owner Choices

There are four termination options which a premises owner may choose from. The options vary depending on the occupancy of the building(s).

In a campus environment, the premises owner may choose an option for each building.

- Option 1

  All Company facilities will terminate at one location upon entering the building. This location will be mutually agreed upon by the Company and the premises owner or designee. Normally this location will be at the lowest common serving point. (This option is available for both single and multi-tenant premises.)

- Option 2

  The Company will terminate facilities at common locations throughout the building (terminal rooms, utility closets, etc.). These locations will be mutually agreed upon by the Company and the premises owner or designee. The demarcation points will be accessible to end-users at these locations. (Option 2 is not an option for single tenant buildings).

- Option 3

  The Company will terminate facilities at one mutually agreed upon location within each individual space/unit, within 12" (or a similarly reasonable distance) of cable/wire entry. (Option 3 is not an option for single tenant buildings.)

- Option 4

  The Company will terminate facilities at one location on the property mutually agreed upon by the Company and the premises owner or designee. (This option is available for both single and multi-tenant premises.)

2. GENERAL REGULATIONS - CONDITIONS OF OFFERING

2.8 CABLE, WIRE AND SERVICE TERMINATION POLICY (CONT'D)

E. End User Choices

Where a premises owner has chosen an option other than Option 3, or the premises is served by another provider (e.g. Shared Tenant Provider) the end user may obtain service directly from the Company provided they obtain permission from the premises owner or designee. The premises owner/designee must agree to provide necessary supporting structures. Such service will be provided from the same demarcation point elected by the premises owner. With the premises owner's permission, service will be provided using existing cable pairs. If necessary, new cable/wire will be placed from the demarcation point/SNI to the end user's space at deregulated Time and Material Charges. (N)

2.15 OBSOLETE SERVICES (M)

Services and equipment referred to as obsolete are no longer suitable to meet the current needs of the general public. They will not be furnished as a new entire item of service to any customer or applicant.

A. Monthly Services

Certain items of service may be furnished where they are required to fully utilize the installed common equipment capacities of existing systems. At the discretion of the Company, such items presently being furnished to existing customers may be continued in service on the same premises for the same customer for a limited period of time subject to the ability of the Company to maintain the items without unreasonable expense and to obtain repair parts from existing or recovered stock. (M)

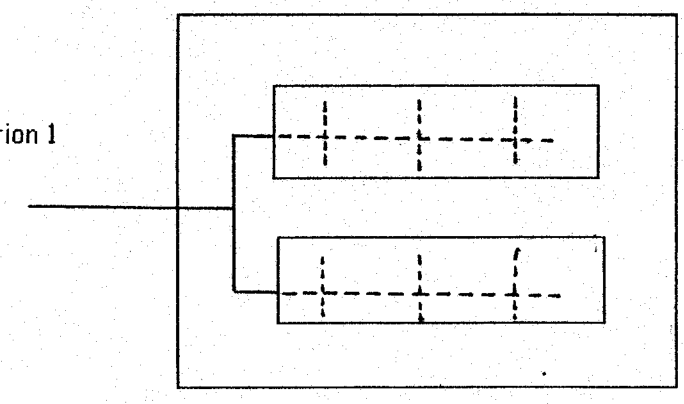
(M) Material moved from Page 43.

Attachment 2

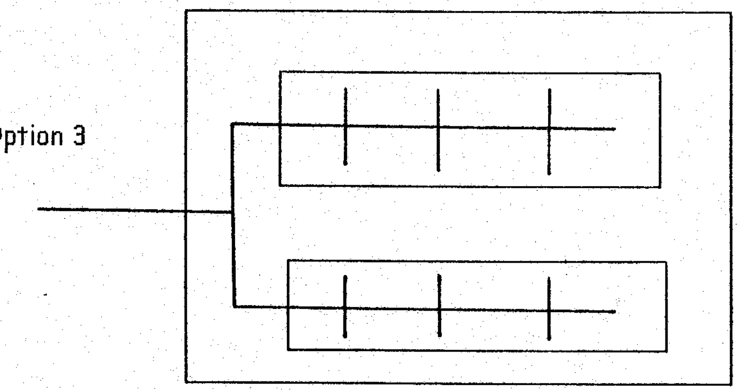
Qwest Cable, Wire and Service Termination Policy, Section 2.8.D Options

Qwest-owned: ———— Property Owner-owned: - - - - - - - - - - -

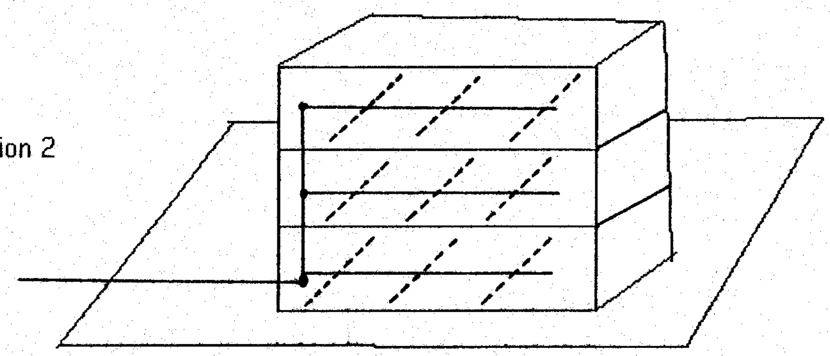
Option 1



Option 3



Option 2



Option 4